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BULLETIN**

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by the Research Staff of the Foreign Policy Association*



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**U.N. Faces Mounting Crisis In Palestine**

The crisis in Palestine has developed with great speed following unconfirmed reports on May 1 that Syria and the Lebanon had sent troops across the northern borders of the Holy Land. At Lake Success the Trusteeship Council, the Security Council and the General Assembly, which met again in special session on Palestine on April 16, have made successive efforts to deal with the situation. But two weeks or more of desultory debate were brought nearer an end on May 3 when Britain asked the UN to establish some "neutral authority" to take over the central administration of the mandate. This in effect postpones further consideration of the United States suggestion for a trusteeship for Palestine until the General Assembly meets in Paris in September.

**The UN Fails to Act**

Although the British army ordered considerable military reinforcements to Palestine on May 2, Britain is scheduled to withdraw its civilian administration on May 15, at which time the Arab Legion, some 2,000 Trans-Jordan troops commanded by British officers, will presumably also leave. Britain's other military forces are to be evacuated by August 1. Britain has stuck to this timetable with great steadfastness, although on April 20 British representatives at Lake Success indicated that the British government would consider using its forces after May 15 for implementation of a political and military truce in the Holy Land which has been proposed by the Security Council.

Probably the most that the UN can do now is to confine the fighting to Palestine. Originally it had been hoped that

the UN could bring the conflict to a speedy end and help the parties on the spot achieve some enduring form of future government. Toward this end the General Assembly, at its special session on Palestine last November, recommended partition of the mandate, the establishment of a trusteeship for the city of Jerusalem, and an eventual economic union for the entire area of the Holy Land. The onrush of events in the Middle East, however, prevented the Security Council, charged with implementing this recommendation, from making any headway on the plan. Then the United States abandoned its former support for partition, and asked that a second special session of the General Assembly be called for April 16 to reconsider the problem. A temporary trusteeship for the whole of Palestine was presented in outline on April 20 by the American delegation, but no formal plan has yet been considered by the Assembly's Political and Security Committee.

Attempts to bring about a truce in Palestine have also largely failed. The Security Council, in fact, had not succeeded in gaining a truce for the area as a whole by the end of April, so that it tried at least to reach a truce agreement respecting the City of Jerusalem. When this failed a cease-fire accord for the old walled city, containing religious shrines of Jews, Moslems and Christians, was attempted. By May 3 a truce for this limited area was reported to be an accomplished fact.

**Great Powers and Palestine**

As the chance of reaching any peaceful settlement of the Palestine question recedes, the great powers most vitally in-

terested in the Middle East will have to take a more direct part in the dispute. Whether this will be done through the agencies of the UN remains to be seen. On April 25 the Soviet Union notified the UN Secretary General that it would join the Trusteeship Council which Russia has boycotted since that body was first organized. No reasons were given by Soviet representatives for this decision. The council, however, is engaged in discussing a trusteeship regime for the City of Jerusalem, and might in the future become responsible for a trusteeship for the whole of Palestine. It would appear that the U.S.S.R. intends to participate in the formulation of any such arrangements.

Britain's ultimate attitude toward Palestine has also been clarified to some extent as the showdown on the Holy Land approaches. Without suggesting in any way that the timetable for giving up the mandate will be altered, reports from London on May 1 speak of the possibility that Britain may attempt to negotiate a final settlement between Jews and Arabs once both parties have found continued fighting to be futile. There are no indications that Britain will wish to remain in Palestine. On the contrary it expects to gain most at this stage in its relationship to neighboring Arab states by fulfilling its pledge to withdraw.

Recently France has also taken a more direct hand in the problem. It is to France's imperial interest in North Africa that agreement be reached about Palestine's future without embroiling the entire Arab world in the struggle. Fundamentally, however, the action the United

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States takes on Palestine will be the most decisive. The State Department on April 28 announced the appointment of Maj. Gen. John H. Hilldring, retired, as special assistant to the Secretary of State for Palestine affairs. Many observers have believed that this appointment, aside from showing the top importance Washington attaches to the Palestine controversy, suggests that still another shift in

policy is being contemplated. Hilldring acted as one of the principal spokesmen for the United States on Palestine at the second session of the UN General Assembly last year. He is well-known for his position in favor of partition in Palestine, and has publicly expressed great sympathy for the Zionist cause.

This renewal of active interest in Palestine on the part of all the great powers

emphasizes once more that the Holy Land is not an isolated problem for which some Utopian answer can be devised. Danger of all-out war in the Middle East makes it imperative that quick decisions be reached—either within or outside the UN—among the United States, Britain, the Soviet Union and the other states involved.

GRANT S. MCCLELLAN

## ***Eastern Europe Anxious To Increase East-West Trade***

The UN Economic Commission for Europe, which opened its third session in Geneva on April 26, has done much during the ten months of its operations to promote European reconstruction through co-operation and mutual aid. Apart from the valuable day-by-day work of technical committees in such fields as coal and coke distribution, mining equipment, timber, new fertilizers, and so on, the secretariat of the agency has completed a thorough and sound study of the economic position and prospects of Europe. According to a summary of the report, released on the eve of the Geneva parley, all available data indicate that "the restoration of equilibrium would not be possible without vast changes in the structure of the European economy; and that it could not be undertaken except as a result of a gradual process of adjustment extending over a number of years."

The object of the ECE is to promote these adjustments, the assumption being that even though the continent is divided ideologically, there can and must be joint action in the economic sphere. To date, this approach has proved valid, primarily because the Soviet Union, which is a member of the ECE along with the United States, has taken no part in the work of the technical committees. In the plenary sessions, however, delegates of the U.S.S.R. have time and again attacked the motives of the American and other Western representatives, charging that the ECE is ruled by "capitalist monopolies."

### ***Eastern Members Support ECE***

Were these views shared wholeheartedly by spokesmen for the Soviet satellites, the work of the commission would have been stymied from the beginning. The U.S.S.R., however, has been an important factor in the economic life of Eastern Europe only since the end of the war; before 1939, the export and import trade of this region was directed almost en-

tirely toward the West, particularly Germany and Austria. Such long-established economic ties are not easily severed, and it is not surprising, therefore, to find the Polish and Czech delegations supporting the work of the ECE subcommittees, in which they have had an active role. Reports from Geneva indicate that representatives of Eastern Europe were embarrassed when the Soviet member of the commission, Dr. A. A. Arutunian, charged on April 28 that the decisions of the technical groups were "obviously dictated by political considerations."

But this does not imply that the satellite countries are entirely satisfied with the results achieved thus far by the ECE. On the contrary, they are critical of the policy of the Western powers with respect to the postwar economy of Germany, particularly the liaison maintained by the Geneva organization with Anglo-American occupation authorities. More important, they insist that the commission should urge the International Bank to make loans on the recommendations of ECE experts. An example is a proposed Bank loan of \$16 million to finance timber exports from Eastern Europe.

### ***East-West Trade Reconsidered***

For their part, the sixteen nations participating in the ERP desire the maximum flow of East-West trade—this, in fact, is one of the assumptions of their four-year production plan—and they may be expected to give full support to the continued operations of the ECE, relying on it, in fact, to serve as a major link with Eastern Europe. Although there have been renewed ideological outbursts at Geneva, further co-operative action to promote economic recovery is not considered impossible. But Western Europe is dependent on American aid, and has not sufficient resources to finance a rising volume of trade with the East. Meanwhile in approving the ERP, Congress stipulated that

the goods made available must not be converted into exports to nonparticipating nations, if the direct sale of similar commodities by American producers is banned under our export controls. The object of this provision is to prevent the use of materials supplied, directly or indirectly, by this country in the rearmament programs of Russia and its neighbors. But no such export controls were envisaged by the Paris conference members last year when their output plans were drafted.

What adjustments must now be made is by no means clear. To qualify for American assistance, the ERP participants must be guided by the decisions of the export control authorities in Washington. On April 30 some of the uncertainty was removed when the Office of International Trade of the Department of Commerce issued a list of products which may be shipped to any destination. Tractors and other heavy equipment are not included, and cannot therefore be exported to Eastern Europe. With few exceptions, trade is limited to what are distinctly consumer goods. How this policy is to be applied by Western Europe is a matter which will require extended negotiations by W. Averell Harriman, the newly appointed representative in Europe of the Economic Cooperation Administration. In a statement made on April 21 he expressed the view that a revival of East-West trade is important both for Europe and the world.

HAROLD H. HUTCHESON

*The Goebbels Diaries, 1942-1943*, edited, translated, with an introduction by Louis P. Lochner. Garden City, N. Y., Doubleday, 1948. \$4.00

Excerpts from the diary of the Nazi Propaganda Minister, skillfully translated and amply annotated by the former head of the AP Berlin bureau. These entries cast revealing light on the Goebbels mentality and on home front developments during the time when Nazi fortunes of war passed their peak and went into an accelerating descent. The gradual increase of backbiting and intrigue among the Nazi stalwarts as Gotterdammerung approached is particularly noteworthy.

# Bogota Talks Fail To Meet Real Hemisphere Needs

The Ninth Conference of American States adjourned quietly on May 2, having accomplished little toward securing the basic meeting of minds on internal and external problems that had been its main objective. From Washington's point of view, the Bogotá conference was successful if only because the American governments placed themselves on record as opposing "international communism." But insofar as the governments of Latin America were unable to obtain a commitment from the United States to large-scale participation in their programs of economic development, the month-long session appeared wasted effort from the Latin American point of view. Even before the rioting touched off by Jorge Gaitán's assassination on April 9 interrupted the deliberations, it was already apparent that the conference, in this respect, would fall short of the goal.

Representatives of the American governments had been confronted by a formidable agenda upon their arrival in Bogotá on March 30. As the long-postponed ninth meeting of the inter-American system, this conference had not only to take up a wide variety of matters affecting its members, but had also inherited the task of reorganizing and strengthening the inter-American system as a whole, establishing the defense machinery required by the 1947 Treaty of Rio de Janeiro, and formulating the basic principles intended to guide inter-American economic co-operation.\* The bloody Bogotá riots upset the agenda, as well as the physical arrangements, of the conference, setting a crucial ideological problem squarely before its surprised members. Under the circumstances, it perhaps would be unfair to judge the results too harshly.

## Anti-Communist Resolution

Long before the representatives convened at Bogotá, at least one Latin American government, that of Chile, had conveyed its intention of raising the Communist issue at the conference. Secretary Marshall lent his considerable prestige to this course when, at the first meeting of the steering

committee, he asked rhetorically whether the agenda included any point under which the conference could deal with the problem of subversive activities in this hemisphere. Chile, Brazil and Peru sided with the United States in supporting a forthright statement against communism. The delegation from Argentina remained negative on the question, in accordance with Perón's policy of a "third stand" between "international capitalism and communism." But a group of countries headed by Venezuela, including Guatemala and Mexico, expressed the opinion that the real threat to democratic institutions in the Americas emanates not from the Left but from the Right. They asked, what binding force would an anti-Communist resolution have? Would it strengthen reactionary governments and so retard essential reforms? It was noted that the most flagrant dictatorships in Latin America—Paraguay, Nicaragua and the Dominican Republic—were among its enthusiastic supporters. Instead of eliminating communism, might it not tend to drive it underground where it could thrive on Latin American poverty and inequalities?

The Bogotá riots dramatized the basic dilemma without resolving it. Thereafter, it was not difficult to secure agreement on a compromise formula condemning the methods of international communism "or any other form of totalitarianism." But as Bogotá came back to its senses after the brutal demonstration of fury and despair that had taken 1,500 lives and laid waste the capital city, the consensus seemed to be, as Milton Bracker, the able *New York Times* correspondent put it, that "the problem of communism in Latin America is fundamentally not one of mass suppression but of mass elevation."

## Economic Differences

If the answer to Latin American extremism is to be found in improvement of living conditions, the delegates assembled at Bogotá were unable, at least in the economic commission, to formulate it. The economic discussions revealed the real cleavage between the United States and Latin America. The Latin American gov-

ernments attempted there, as at every hemisphere conference, since the end of the war, to obtain from the United States more favorable conditions with respect to the amount and terms of North American loans and investments in their countries. The United States, on the other hand, not only considered itself unable to strain its financial and productive capacity beyond the limits required by European needs, but also maintained serious doubts as to the emphasis and scope of some of the various Latin American development programs. Despite Secretary Marshall's efforts to explain Washington's position at Rio de Janeiro, and again at Bogotá, many Latin American leaders remained unconvinced that European recovery should have priority over Latin American development. "It is true that reconstruction is urgent," Mexican Foreign Secretary Jaime Torres Bodet declared on March 30, "but economic development is scarcely less so when those who wait live in as needy condition as do many of those who desire reconstruction."

On April 8 President Truman sent a message to Congress asking an increase of \$500 million in the Export-Import Bank's allocation for Latin American loans; and Secretary Marshall had the text of the message read at the plenary session that day. With the amounts involved in the ERP fresh in their minds, the Latin American representatives were unreceptive to what seemed to them a negligible concession. The riots erupted the following day, and when the conference was able to meet again, there was an evident disposition to shelve economic and technical problems until a special conference could be called somewhat later in the year. To be sure, an agreement on basic economic principles was hastily completed. It was an accomplishment, however, which overlooked deep-seated differences, notably on the question of expropriation, and merely emphasized the difficulties of securing a co-operative relationship, based on a fictitious equality, between the most powerful nation in the world and twenty weak, underdeveloped countries.

OLIVE HOLMES

\*See *Foreign Policy Bulletin*, April 2 and 9, 1948.



## Foreign Trade Week

The Detroit FPA spearheaded a city-wide educational campaign in observance of World Trade Week, May 16 to 22. The theme of the campaign was: "Part of every dollar you get comes from World Trade." The interrelation of ERP and the Reciprocal Trade Agreements Act, which is up for renewal in Congress before the expiration date, June 12, as well as the proposed International Trade Organization was stressed during this campaign.

## Teachers' Media

On May 8 secondary school teachers of the New York area are meeting at FPA National Headquarters to study available media for teaching international relations. This conference will explore the most modern techniques of group discussion and visual aids and will evaluate current practices in the use of these materials in the classroom. Brooks Emeny, FPA president, will discuss "Foreign Policy and the Teaching of International Relations"; Harold H. Hutcheson, member of the research staff, will speak on "Materials for Teaching International Relations"; Clarence A. Peters, National Program Director, will talk about "Discussion Techniques in International Relations—Participation and Leadership"; and Sherman Price, president of Film Publishers, will demonstrate the use of the film strip and explain its role in teaching international relations. Study guides for the classroom, bibliographies of source material, and lists of obtainable visual aids will be given to the teachers.

## Association Meetings

NEW ORLEANS, May 10, *Rumania Speaks From Behind the Iron Curtain*, Constantin Visoianu, Alexandre Cretzianu, Hal Lehrman

BOSTON, May 10, *Annual Meeting*

DETROIT, May 20, *Reciprocal Trade Agreements*, Willard Thorp

PROVIDENCE, May 19, *Our Responsibilities in World Affairs*, Vera M. Dean

## FPA Goes to the Campus

On April 30 the Philadelphia FPA, continuing its practice of carrying programs to students on the campus, sponsored jointly with the University of Pennsylvania an institute on "The Far Eastern Policy of the United States." The confer-

ence was opened by Dr. Arthur P. Whitaker, Professor of History. Dr. Edwin O. Reischauer, Associate Professor of Far Eastern Languages, and T. A. Bisson, former Special Adviser to Chief, Government Section, SCAP, delivered addresses on the subject of Japan, after which a panel answered students' questions. The panel included the two speakers and Colonel Giffin of USAF. Dr. Paul Eckel of the University's History Department was chairman.

The delegates to the institute were guests of the University and FPA at luncheon.

In the afternoon Dr. Shannon McCune, chairman of the Department of Geography at Colgate University, spoke on Korea, Dr. Virginia Thompson Adloff, former Research Associate of the Institute of Pacific Relations, on Southeast Asia, and discussion followed. Dr. K. A. Wittfogel of the Economic History Project at Columbia, and Lawrence K. Rosinger of the FPA research staff gave talks on China. They were also on the panel which included Colonel Giffin and Herrymon Maurer of *Fortune*. Dr. Derk Bodde, Assistant Professor of Chinese at the University, acted as chairman.

In the evening the discussion was on the Far Eastern Policy of the United States, and the speakers were Owen Lattimore of Johns Hopkins University, and Dr. Robert Strausz-Hupe of the University of Pennsylvania.

Taking FPA programs to college campuses seems to be an interesting and profitable innovation.

## Council Quotes

Panayotis Kanellopoulos, former Prime Minister of Greece, told the Council of Branches and Affiliates meeting in New York, "I do not know if we shall ever reach a common world state, but I do know that we shall reach a common conscience among the citizens of the world—and the one who will guarantee this common conscience can be no other than the United States. America becomes the guarantee of the survival and the world-wide expansion of the civilization which was born in Europe." Brooks Emeny, FPA president, opened the Council by saying, "A repetition of our past failures to meet head on and with intelligent understanding the demands of the times in which we

Tension is rising among *students and faculty members of Peiping universities*, following attacks by thugs and inspired mobs against students and school property. Recently the faculties of Yenching, Tsinghua, Peiping Normal College, and Peiping National University called protest strikes, as did students on many campuses. Referring to "acts so brutal that they have resulted in bloodshed," the faculty of Peiping National University declared that to carry on their work the schools needed an "atmosphere of quiet born of security." . . . The inflationary trend of world prices has adversely affected *the mining of gold*, and thereby reduced the supply of dollar exchange available to Britain. With the price of metal fixed by governmental action, rising costs of production have meant reduced profits for the industry. As a result, gold production remains below prewar levels—a world output of 23.6 million ounces in 1947, compared with 39.3 million in 1941. The British Empire, however, is still the largest producer, accounting for 71.2 per cent of the world output in 1947. . . .

Otilio Ulate, President-elect of *Costa Rica*, and José Figueres, leader of the pro-Ulate revolutionary forces, have finally reached agreement on the future government of the country, it was announced on May 2. Ulate will become President when the military junta relinquishes power. Figueres raised the revolt against the Picado government on March 11, after Congress had invalidated the February elections. He was supported by the Catholic trade union movement and opposed by the Communists, who were in league with Picado. Through the good offices of the diplomatic corps and the Church, a settlement was effected, under which Vice-President Leon Herrera was to assume provisional power. On April 23, however, Señor Figueres announced that a military junta would govern until the constitutional basis of a "Second Republic" could be laid. Ulate's position in the settlement remained ambiguous. Meanwhile, ex-President Picado and Manuel Mora, brains of the Communist Vanguardia Popular party, have fled the country.

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live, can only result in the loss of human freedom and the collapse of our civilization."